

Washington DC – Today the price of crude oil is approaching nearly \$100 per barrel, and the average price of gasoline is \$3.10 per gallon. On Thursday, December 6, Congressman Joe Sestak voted for the Energy Independence and Security Act (H.R. 6). With its passage, Congress has taken a bold step towards reducing America’s dependence on foreign oil and strengthening our national security, lowering energy costs, increasing America’s supply of home-grown renewable energy, investing in cutting-edge research on renewable fuels, and reducing harmful pollutants to the environment.

— This agreement with the Senate today builds upon the New Direction for Energy Independence, National Security, and Consumer Protection Act (H.R. 3221 and H.R. 2776) passed this summer. It is a fiscally-responsible legislation, under a “pay-as-you-go” government, that will close tax loopholes that have allowed big oil companies to skirt paying their taxes.

“With provisions to dramatically improve and modernize automotive fuel economy standards, promote renewable energy, enhance energy efficiency, reduce pollutants, and boost the production of home-grown renewable energy, this legislation will move our nation toward a cleaner energy future and reduce global warming while generating economic growth and creating jobs. It is essential to our future.” said Congressman Sestak.

The Energy Independence and Security Act will:

Set Historic Fuel Economy Standards for Cars and Trucks

The legislation will increase Corporate Average Fuel Economy (CAFE) standards for new cars and trucks to 35 miles per gallon by 2020, the first increase increase by Congress since 1975. The bill ensures that fuel economy standard will be reached, while offering flexibility to automakers and ensuring that we keep American manufacturing jobs and continue domestic production of smaller vehicles. It will save American families \$700 to \$1,000 per year at the pump, with \$22 billion in net annual consumer savings in 2020 and reduces greenhouse gases equal to taking 28 million of today's average cars and trucks off the road.

Make Historic Commitment for American Production of Renewable Fuels

The legislation increases the Renewable Fuels Standard (RFS) to 36 billion gallons of renewable fuels in the market by 2022– a five-fold increase over the current standard. Under the bill, the expanded renewable fuels standard (RFS) requires 9 billion gallons of renewable fuels in 2008 and progressively increases to a 36 billion gallon requirement by 2022. It also ensures that biodiesel and cellulosic sources, such as switchgrass, are a key part of that increase, while allowing other technologies to come on line, so that by 2022, there will be 21

billion gallons of advanced biofuels, made from corn alternatives.

Finally, there will be added environmental safeguards for the production and utilization of renewable fuels. Conventional biofuels must generate 20 percent fewer greenhouse gases than gasoline, and advanced and cellulosic fuels must emit 50 and 60 percent less, respectively. The bill provides \$698 million in long-term tax incentives to encourage the production of renewable fuels such as cellulosic ethanol, biodiesel and renewable diesel.

Require 15 percent of our Electricity come from Renewable Sources

The legislation establishes a 15 percent national renewable electricity standard (RES). This market-based mechanism will require electric utilities to use renewable energy to generate 15 percent of their electricity or to purchase renewable energy credits from others to meet this standard by 2020.

The standard would diversify the U.S. energy supply and boost the production of clean, renewable energy sources such as wind, biomass, geothermal, and solar power, while creating jobs and promoting economic development. UCS projects the standard would save consumers at least \$13 billion and cut 126 million metric tons of global warming pollution per year by 2020 (equal to taking over 20 million cars off the road). The House-Senate compromise also would provide \$6.6 billion in long-term tax incentives to encourage taxpayers to build new facilities that produce electricity from wind, solar, biomass, hydropower, and marine renewable sources.

Brings Down Energy Costs through Greater Energy Efficiency

The legislation includes landmark energy efficiency provisions that would save consumers and businesses hundreds of billions of dollars through 2030.

Bill provisions will strengthen energy efficiency, sets new efficiency standards for appliances such as refrigerators and freezers, requires more efficient lighting, and works to speed up Energy Department action on new efficiency standards, while improving energy efficiency of consumer appliances, such as dishwashers, clothes washers, refrigerators and freezers, to reduce energy costs to consumers.

It also requires improved Federal and commercial building energy efficiency, with green building standards for new federal buildings and a zero net energy initiative to develop technologies, practice and policies to reach the goal of having all commercial buildings use no net energy by 2050.

Provides New Tax Incentives for Clean Renewable Energy Production and Conservation

The bill includes \$9 billion in clean renewable tax incentives with:

Long-term incentives spurring the production of electricity from renewable sources, including wind, biomass, geothermal, small irrigation hydropower, ocean tides, landfill gas, and trash combustion resources.

\$2 billion in new clean renewable energy bonds for electric cooperatives, public power providers, and state and local governments to finance facilities that generate electricity from renewable resource.

\$600 million in tax credits for solar energy and fuel cell properties, including extending the solar energy and fuel cell investment tax credit (for 8 years) and increasing the tax credit from \$2,000 to \$4,000 for installing solar panels for residential use in homes.

The energy package also includes more than \$1.6 billion in tax incentives for the creation of commercial buildings, super-efficient appliances for residences, and for the purchase of energy efficient improvements to existing homes. State and local governments would be empowered to implement their own energy conservation programs -- from mass transit to rural wind development.

Also included are provisions for working families to purchase fuel-efficient plug-in hybrid and electric vehicles with a \$3,000 tax credit and also includes tax incentives for biking to work. It also provides up to \$3 billion for States and local tax credit bonds to implement low-interest loan programs and grant programs to help working families purchase energy-efficient appliances, make energy-efficient home improvements, or install solar panels, small wind turbines, and geothermal heat pumps.

Additionally, there are incentives for manufacturers to build appliances that push the boundaries of efficiency, and promotes more energy efficient homes, appliances, and commercial building by extending energy efficiency tax incentives and promoting the use of smart meters. \$2.2 billion in tax incentives is included for clean coal technology, which for the first time ever will require carbon capture and sequestration to ensure maximum carbon dioxide reduction from coal programs.

Creates 3 Million New "Green" Jobs

The legislation creates an Energy Efficiency and Renewable Energy Worker Training Program to train a quality workforce for "green" collar jobs -- such as solar panel manufacturer and green building construction worker -- created by federal renewable energy and energy efficiency initiatives. In particular, this program will provide training opportunities to our veterans, to those displaced by national energy and environmental policy and economic globalization. This

investment could create 3 million green jobs over 10 years.

Enhances Energy Efficiency Incentives for Small Businesses

Provisions will increase loan limits to help small businesses develop energy efficient technologies and purchases; provide information to small businesses to reduce energy costs; and increase investment in small firms developing renewable energy solutions, recognizing the leadership of entrepreneurs in the alternative energy sector.

Provides New Funding for Bio-Fuel and other Alternative Energy Research & Development

The legislation promotes investment in renewable fuels infrastructure and supports research and development of new bioenergy sources. It makes investments in biofuels research to make biofuel production more efficient, and creates a new research component to improve the energy efficiency in biorefinery facilities to reduce energy consumption in the development of biofuels.

The bill includes investments into cutting-edge research to develop new processes for turning other farm products, such as switchgrass and woodchips, into biofuels. In addition, there are provisions for studies on improving the use of biofuels, focusing on optimization of flex-fuel vehicles while running on E-85, and engine durability at differing blend levels of biodiesel.

The bill also strengthens solar research, education, and training by targeting current gaps in unleashing the potential of solar power. It includes training to develop a skilled workforce to install and maintain solar energy equipment, and research and development to improve technologies to store solar power. It also supports marine renewable energy research and development of technologies to produce electric power from ocean waves in order to bring them to commercial readiness, and authorizes the research and development of technologies to locate and develop geothermal energy resources.

Additionally, cash prizes will be awarded to those who spur innovation in hydrogen energy technologies and advance the use of hydrogen as a fuel for transportation. There will also be funding for a research and development program on energy storage and advanced battery development for vehicles and electricity transmission.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group

of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. House of Representatives.